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NORTH CAROLINA

MEDICAL CARE COMMISSION

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JUNE 30, 1963



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MEDICAL CARE COMMISSION**

REPORT

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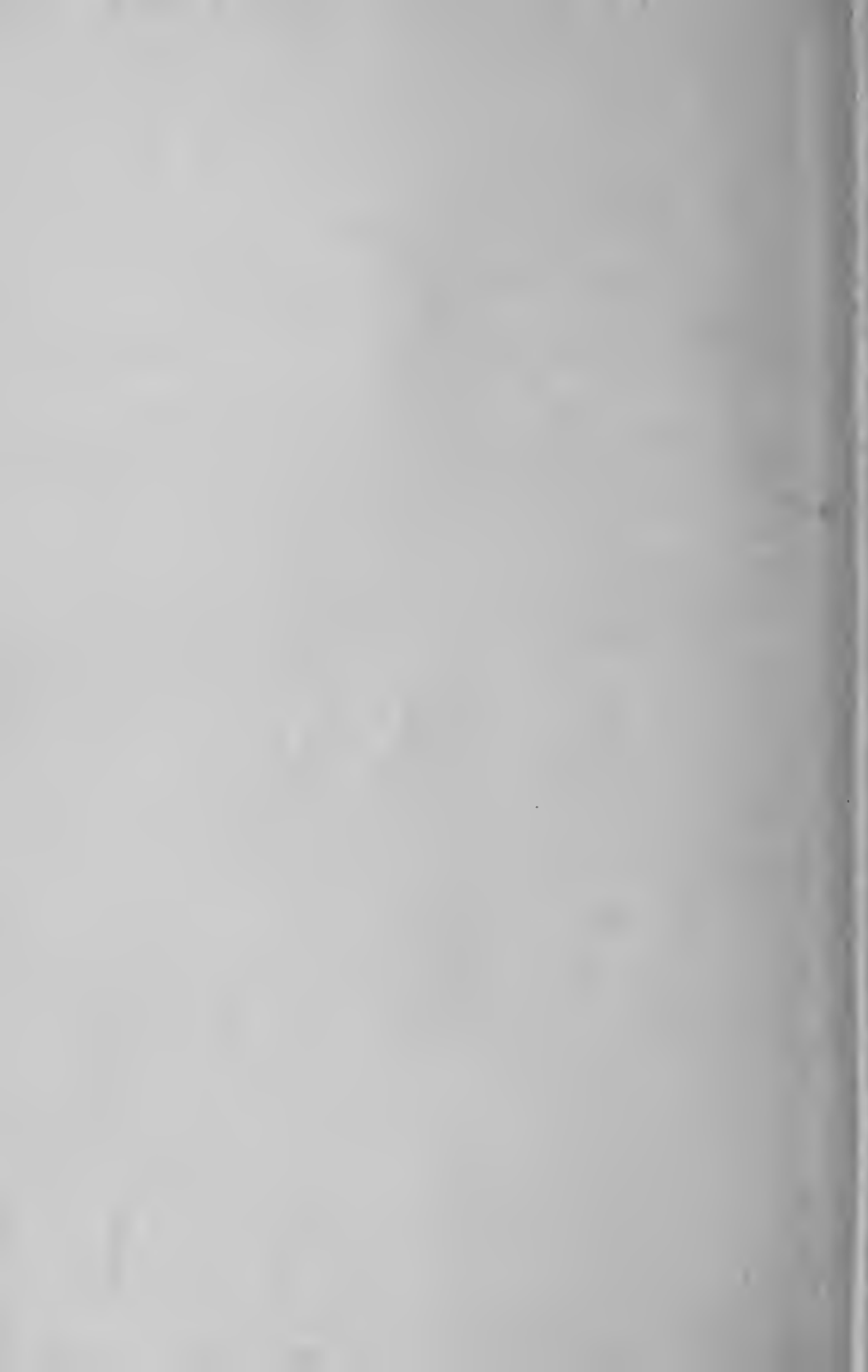
**1961-1963**

**REPORT FOR THE BIENNIUM ENDING**

**JUNE 30, 1963**



**1963**



# **THE NORTH CAROLINA MEDICAL CARE COMMISSION**

**1961-1963**

**REPORT FOR THE BIENNIUM ENDING**

**JUNE 30, 1963**



**THE NORTH CAROLINA MEDICAL CARE COMMISSION  
P. O. BOX 9594  
RALEIGH, NORTH CAROLINA**

**November 1, 1963**



## LETTER OF TRANSMITTAL

To His Excellency, TERRY SANFORD  
Governor of North Carolina  
Raleigh, North Carolina

Sir:

Members of the Medical Care Commission, its staff and Hospital Advisory Council take pleasure in presenting to you herewith the report of the activities of this department for the period July 1, 1961—June 30, 1963 and a consolidation of data showing the progress in improving medical facilities and services in North Carolina since the Commission's inception in 1945.

In submitting this report, we are reminded of the comment by Dr. Clarence Poe and his Study Committee in recommending the establishment of the Medical Care Commission in 1944:

"This is a beacon light to guide our people as they fare forth on a program which is indeed one of 'great hope, of almost infinite promise, and yet of great practicability.'"

It is believed the report for the biennium just ended indeed fulfills this prophecy. You will note that we have included a short summary of the Commission's history so as to relate the original purposes with actual accomplishments. We are, however, mindful that providing for the health of North Carolina is not accomplished through intermittent and spasmodic planning but that it must be a continuing and progressive program constantly geared to the need of all our people.

Respectfully submitted,

AGNEW H. BAHNSON, SR.  
*Vice-Chairman and Acting Chairman*

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## MEMBERS

### THE NORTH CAROLINA MEDICAL CARE COMMISSION

Serving During the Biennium Ending June 30, 1963

Member	Address	Representation	Term Expiration
Mr. Eugene G. Shaw <sup>1</sup>	Greensboro	At Large	June 30, 1965
Mr. Agnew H. Bahnson, Sr., V.-Chm.	W.-Salem	At Large	June 30, 1964
Dr. J. Street Brewer	Roseboro	N. C. Med. Society	June 30, 1965
Mr. Paul W. Bumbarger, Jr.	Hickory	At Large	June 30, 1964
Dr. Geo. L. Carrington	Burlington	At Large	June 30, 1963
Dr. H. Royster Chamblee <sup>2</sup>	Raleigh	N. C. Dental Society	June 30, 1963
Mr. J. B. Clemence	Salisbury	At Large	June 30, 1966
Mr. E. C. Daniel	Zebulon	N. C. Pharm. Assn.	June 30, 1966
Mrs. Margaret B. Dolan	Chapel Hill	N. C. Nurses' Assn.	June 30, 1966
Mr. Sample B. Forbus	Chapel Hill	N. C. Hospital Assn.	June 30, 1964
Dr. Powell G. Fox	Raleigh	N. C. Med. Society	June 30, 1963
Mr. Ernest J. House <sup>3</sup>	Marion	At Large	June 30, 1963
Dr. William D. James	Hamlet	At Large	June 30, 1965
Dr. Harry L. Johnson	Elkin	N. C. Med. Society	June 30, 1966
Mr. J. B. Lee <sup>1</sup>	Whiteville	At Large	June 30, 1965
Mr. Marshall I. Pickens	Charlotte	The Duke Endowment	June 30, 1965
Dr. James J. Richardson	Laurinburg	At Large	June 30, 1965
Dr. Wm. Raney Stanford	Durham	At Large	June 30, 1964
Mr. Earl H. Tate <sup>3</sup>	Lenoir	At Large	June 30, 1963
Dr. Paul F. Whitaker	Kinston	At Large	June 30, 1965

### EX-OFFICIO MEMBERS

Dr. J. W. R. Norton	Raleigh	State Health Director
Dr. Ellen B. Winston <sup>4</sup>	Raleigh	State Commissioner of Pub. Welfare
Mr. R. Eugene Brown <sup>4</sup>	Raleigh	State Commissioner of Pub. Welfare

- <sup>1</sup> Mr. Eugene G. Shaw resigned in October, 1961; Mr. J. B. Lee was appointed in January, 1962 to succeed him.
- <sup>2</sup> Dr. H. Royster Chamblee resigned in April, 1962; a successor had not been appointed as of June 30, 1963.
- <sup>3</sup> Mr. Earl H. Tate resigned in March, 1962; Mr. Ernest J. House was appointed in October, 1962 to succeed him.
- <sup>4</sup> Mr. R. Eugene Brown succeeded Dr. Ellen Winston as State Commissioner of Public Welfare in January, 1963.

**MEMBERS**  
**STATE (HOSPITAL) ADVISORY COUNCIL**  
**Serving During the Biennium Ending June 30, 1963**

<b>Member</b>	<b>Address</b>	<b>Term Expiration</b>
Dr. W. T. Armstrong	Rocky Mount	June 30, 1965
Mr. Charles A. Cannon	Concord	June 30, 1965
Dr. W. Ralph Deaton, Jr.	Greensboro	June 30, 1965
Mrs. Virginia Foglia	Albemarle	June 30, 1965
Mr. James P. Richardson	Charlotte	June 30, 1965

## **ADMINISTRATIVE STAFF**

**June 30, 1963**

<b>Name</b>	<b>Position</b>
William F. Henderson	Executive Secretary
O. Wade Avant, Jr.	Assistant Hospital Analyst
Marjorie A. Boyles	Research Analyst
Shirley F. Bradbury	Administrative Assistant
Bruce K. Jones	Consulting Architect
William O. Langley, Jr.	Hospital Analyst
A. C. Penny	Budget Officer
Donald M. Watson	Consulting Engineer
I. O. Wilkerson, Jr.	Hospital Adm. Consultant

### **Secretarial Staff**

Mrs. Katy Bet Barbour  
Mrs. Marian A. Grissom  
Mrs. Kathryn W. Hughes  
Mrs. Linda Sue Jones  
Mrs. Elsie C. Olmstead

## BACKGROUND OF ACTIVITIES

### I. HISTORY

Early in 1944, five prominent physicians representing the North Carolina Medical Society, including President James W. Vernon, President-elect Paul F. Whitaker, and three Past Presidents, Donnell Cobb, Hubert B. Haywood and P. O. McCain, presented an appeal to Governor J. Melville Broughton to create a Hospital and Medical Care Commission to study the critical shortage of general hospital facilities and trained medical personnel in North Carolina and to recommend remedies.

This committee recommended the following.

- A. The building of a large, well-equipped general hospital . . . which would logically be placed near the Schools of Medicine and Public Health at Chapel Hill.
- B. The establishment of smaller hospitals, well-equipped for diagnostic and treatment services, in sections of the State with inadequate hospital facilities.
- C. The expansion of the present two-year Medical School at the University into a standard four-year School of Medicine.

Governor Broughton presented this appeal to the Trustees of the Consolidated University of North Carolina January 31, 1944. The Trustees unanimously adopted a motion requesting the governor to appoint a Commission to make a comprehensive study of the whole subject and to submit recommendations to the next General Assembly.

A 50-man Hospital and Medical Care Commission was appointed by Governor Broughton. It met in Raleigh February 28, 1944, and organized.

After eight months of studying conditions, policies and facilities in this and other states, the subcommittees into which the members of the Commission had been formed met October 11, 1944 and adopted a report entitled "To All the People of North Carolina—a Proposed Statewide Program of Hospital and Medical Care." This report recommended the following measures:

- A. To meet the need for more and better distributed doctors the Commission recommended (1) that the present two-year medical school at the University of North Carolina be expanded into a standard four-year medical school with a central teaching hospital; (2) that a loan fund be established by the State Legislature for promising youth who wished to become physicians and practice in North Carolina; and (3) that the State provide improved opportunities for enabling capable Negro youths to become physicians.

- B. To provide more and better distributed hospital facilities, the Commission recommended (1) that the State assist counties and communities to build and enlarge hospitals and health centers where needed; (2) that grants be made to aid in the construction of new medical facilities in areas not adequately served by existing programs; (3) that no State grant should exceed 50 percent of the cost of a new hospital or expansion of an existing facility and that within this limitation, the proportion of the grant to the total cost be based on economic conditions within the area to be served, the financial ability of the local hospital authority to operate the facility and the availability of funds from other sources; (4) that a statewide program to meet the urgent hospital needs of the State include a central teaching hospital at the University's proposed four-year medical school; (5) that a small number of regional hospitals be constructed of at least 100 beds, complete in every respect, to serve both rural and urban people; (6) that there be built a number of rural hospitals having up to 60 beds, including improvement or enlargement of existing facilities publicly owned or owned and operated by nonprofit associations; (7) that small hospitals or clinics be built to serve rural communities, providing simple diagnostic and laboratory services, facilities for minor operations, obstetrical, dental services, etc.
- C. To provide more adequate hospital care for low income persons, the Commission recommended that the state appropriate \$1.00 per day for the cost of hospital care of indigent patients in approved hospitals, with the understanding that counties and municipalities would supply the remainder of the cost for hospital care.
- D. To administer the program, it was recommended that the Legislature create a permanent hospital and medical care commission to be composed of qualified citizens who will be responsible for (1) the formulation and adoption of policies designed to maintain high standards of service, efficiency, economy and professional excellence in the hospitals; (2) the administration of the medical student loan fund; (3) the general administration of the statewide hospital and medical care program; and (4) safeguarding the program from political interference. It advocated that the hospitals remain under the professional, administrative and financial control of the local boards of trustees representative of the best citizens of the community.
- E. For public health work, the Commission recommended that appropriations be increased until the State has adequate facilities for the prevention of disease, thus reducing the need for hospitals and medical care to the lowest practicable level.

F. For examination of school children, the Commission endorse measures for a general examination of children of school age to discover remediable defects and to favor the correction of such defects at public expense in cases where parents are financially unable to pay for the necessary treatment.

G. To meet the need for more insurance, it was recommended that the State encourage the development and extension of prepaid insurance plans for medical care designed to enable the people to insure themselves against expensive illness. The Blue Cross organizations were urged to expand their services to include the cost of care rendered by the general practitioner of medicine and the cost of drugs.

In December, 1944, the Advisory Budget Commission, following an extensive hearing, formally and officially submitted the following statement to the 1945 General Assembly: "We . . . hope that the program will be approved by the General Assembly to the end, as stated by the Governor in naming the Commission, 'that no person in North Carolina shall lack adequate hospital care or medical treatment by reason of poverty or low income.'"

The final report of the Hospital and Medical Care Commission was presented to Governor R. Gregg Cherry and the General Assembly in February, 1945. Thus, during that session, the North Carolina Medical Care Commission was established as a State agency (Chapter 131, Articles 13, 13A, 13B, and 13C).

## II. ADMINISTRATION AND ORGANIZATION

The Commission is composed of twenty members appointed by the Governor. Three members are nominated by the State Medical Society, one by the State Pharmaceutical Association, one by the North Carolina Nurses' Association, one by the State Hospital Association, one by The Duke Endowment, and one member by law is a dentist. Ten members are appointed by the Governor directly so as to fairly represent agriculture, industry, labor and other interests and groups in North Carolina. The State Health Director and the State Commissioner of Public Welfare are ex-officio members. The Commission meets quarterly and additional meetings are held upon call of the Chairman.

As required by Federal legislation, the Governor appoints a Hospital Advisory Council composed of five members to advise with the Commission on technical matters related especially to planning, construction and equipment of medical facilities. The Council meets regularly with the Commission and consults with it also on matters relating to other activities.



### III. ACTIVITIES

The primary purpose of the Medical Care Commission, as conceived by the General Assembly, is to develop and improve medical facilities and services throughout North Carolina. In essence, the Commission has concentrated primarily on the development of an integrated system of community hospitals. Thus, it serves the community hospitals of the State in somewhat the same way as the Highway Commission is responsible for roads and the Department of Public Instruction is for schools. Much of the Commission's activity is involved in consultations with local hospitals in the way of planning and staffing.

Actually the Commission's responsibilities are divided into three major programs. These are:

- A. Administration of Federal and State grants-in-aid for the planning, construction and equipping of community general hospitals, public health centers, schools of nursing, diagnostic facilities for ambulatory patients, long-term chronic and convalescent facilities, including nursing homes and rehabilitation facilities.
- B. Licensing of hospitals.
- C. Loans and scholarships to students of the health professions who agree upon completion of their training to provide services within the State.

The enormity of the industry to which the Commission's programs are primarily geared is reflected in the fact that the non-Federal hospitals in North Carolina have plant valuations of over \$322 million, total assets in excess of \$360 million, employ some 30,000 people representing an annual payroll of over \$87 million.

As this report is being prepared, a number of related programs are commanding especial emphasis by the Commission: (1) The coordination of medical facilities through intensive emphasis upon more thorough community and areawide planning of hospitals and related facilities; (2) the development of long-range plans by individual hospitals applying for construction grants; (3) the inauguration of a construction program for mental health facilities with stress upon programs for ambulatory patients; and (4) increased educational assistance as an incentive to encourage more young people to enter health careers within the State.

### IV. RECENT LEGISLATION

The 1963 General Assembly made several modifications to the programs of the Medical Care Commission.

As a means of strengthening the Commission's program to encourage more young people to enter health careers within the

State, the existing loan program was changed to: (1) Delete the requirement that students of nursing agree to practice in just the rural communities of the State. It was recognized that nurses are in demand in almost every section of North Carolina and that, therefore, assistance should be provided to nurses on the condition that they practice anywhere in the State (Senate Bill 271). (2) Amend the General Statutes to permit the cancellation of loans under the State Hospitals program upon satisfactory service as a member of the staff of any of the institutions, clinics or other facilities under the administration of the State Department of Mental Health (House Bill 560). This provision applies to service performed since July 1, 1960. The existing statute permitted service in one of the four State-owned hospitals only. (3) Provide scholarships for nurses enrolled in specialized courses in nursing (Senate Bill 271). This change enables the Commission to assist professional nurses who need additional training in the more technical fields in nursing. In addition, the Legislature appropriated special funds to be used as scholarships for nurses who wish to become anesthetists (House Bill 999, Senate Bill 485) and for training of medical technicians (House Bill 1165).

The General Statutes were amended by deleting in the Commission's enabling law the provision that one member of the North Carolina Dental Society is to be represented on the Medical Care Commission (House Bill 549). Now the law provides that one member of the Commission shall be a dentist licensed to practice in North Carolina and appointed by the Governor "after requesting recommendations from the President of the North Carolina Dental Society."

The Legislature approved House Bill 34 exempting X-ray facilities of hospitals subject to the licensing program of the Medical Care Commission from the regulations of the State Board of Health under the Atomic Energy law. Inspections, approvals and standards for radiographic units in licensed hospitals are now under the full jurisdiction of the Medical Care Commission. The measure eliminated overlapping authority of the two agencies and allows the Commission to survey X-ray installations while making routine licensing examinations of other hospital departments for which it is responsible.

House Bill 710 defines a private hospital for the purpose of commitment of mentally disordered persons to include psychiatric services in general hospitals licensed by the Medical Care Commission. Under the provisions of the amended statutes, persons are not to be committed to such a hospital unless it has adequate facilities for the care of psychiatric patients, has qualified personnel and the hospital administrator agrees to accept the committed person.

#### *New Construction Programs.*

Appropriations were authorized to create two new construction programs during the following biennium. One provides a

biennial appropriation of \$600,000 to aid local hospitals in building lower-cost, long-term chronic and convalescent nursing units. These funds will be used to match special Federal funds to construct facilities of this nature.

There was also initiated a fund of \$400,000 to be used in conjunction with Federal grants to inaugurate the construction of mental health clinics throughout the State. The Commission in cooperation with the State Department of Mental Health will work out procedures for developing these facilities in accordance with the Federal program anticipated to be authorized by Congress later in 1963.

Appropriations to continue State participation in the regular Hill-Burton program through providing grants-in-aid to the more disadvantaged areas was assured through an appropriation of \$1 million for the next biennium. This is considerably more than has been provided in recent years.

## PLANNING AND CONSTRUCTION OF MEDICAL FACILITIES

### *Volume of Construction*

Tables in this section summarize statistically the construction program of the Medical Care Commission during the biennium and bring up to date the accomplishments of the medical facility construction program since its inception in 1947. While Table IV notes that the number of projects contracted during the two-year period is somewhat less than the average for prior years, the volume of construction contracts increased significantly from an average of \$11,609,889 to \$17,235,942 for the last year of the biennium. This is explained by the fact that the construction program in past years included a number of small public health centers. Now that 88 county health centers have been constructed or programmed, construction in this area is naturally decreasing. However, hospital projects are increasing, both in number and in the complication of their design and specifications. Hospital projects currently being inaugurated are planned on a more regional basis and include more sophisticated medical equipment and in view of the population they serve are much larger and consequently more costly. Therefore, while the number of projects is somewhat less than those for which bids were taken in previous years, the contracts are more complicated as reflected in the 48.5 per cent increase in the dollar volume of work contracted during the last year of the biennium as compared with the average for previous years.

### *Long-Range Planning*

Continually increasing construction costs make it essential that future needs be reflected in the planning of today. It has been evidenced too often that quick planning geared to "stop-gap" solutions tends to adversely affect the efficiency and cost of future construction. Thus, the Commission believes every hospital building program, be it concerned with initial buildings or the expansion of existing facilities, should be related to a long-range plan that speculates on ultimate goals. A long-range master plan for each facility is needed to coordinate a thoroughly conceived, step-by-step expansion program which shows the relation of service departments to new beds reflected by the hospital's growth potential. These components should be synchronized in logical development stages and if properly developed should minimize costly building mistakes.

In view of the obvious merits of long-range planning and in recognition that a substantial volume of medical facility construction in the next decade will involve extension and replacement of existing buildings, the Medical Care Commission believes that every building program should be related to a master plan. Therefore, as a condition of its grants-in-aid program, the Commission adopted during the biennium the policy of requiring that each application for assistance be accompanied by a long-range plan not only reflecting the hospital's needs but those of the area which the hospital serves. By the same token, when

changes in individual medical facilities in the area are proposed, the Commission will now require communitywide and when indicated an areawide study of existing facilities and programs and potentially needed improvements as a guide in considering a proposal for Hill- Burton participation.

### *Long-Term Care Facilities*

Emphasis is being placed upon the development of specialized facilities for the long-term chronic and convalescent patient and the coordination of such facilities with community general hospitals. The Legislature made available special funds to supplement Federal appropriations for this purpose and earmarked the money for facilities developed as units of local general hospitals. At the end of the biennium with the stimulation of State funds to become available during the following biennium, the Commission was working on a number of projects providing low-cost, long-term care programs to be sponsored by community hospitals. During the early years of the Hill-Burton activity, a number of residences for nurses were constructed in connection with rural hospitals. In subsequent years, the mode of living for hospital personnel has changed and so, many nurses now, with stipends paid by the hospitals, prefer to live out in private residences and apartments. Several of these facilities now experiencing low occupancy will be converted with the use of Hill-Burton funds to long-term care units of the general hospital.

### *Mental Health Clinics*

The 1963 Legislature also provided special funds to the Commission as grants for matching Federal funds for the construction of local mental health clinics—diagnostic and treatment facilities for ambulatory mental patients. As the biennium closed, special Federal funds were anticipated under a new program being considered by Congress for the building of mental health facilities. In view of the legislative action, North Carolina should be able to take advantage of the Federal funds and get underway a mental health building program following the passage of the Federal program. It is expected that the Medical Care Commission would cooperate with the State Department of Mental Health in providing supervision over the construction of these facilities.

### *Accelerated Public Works Program*

Under Public Law 87-658, the 87th Congress provided funds to assist so-called depressed areas in which there is substantial unemployment through the inauguration of public works programs. Medical facility projects are eligible under the program. Those approved are required to conform with the general standards of the Hill-Burton Act. State agencies agreeing to process applications for APW funds act as an intermediary but have no decision as to the designation of the area or acceptance of the project for Federal Funds. The Medical Care Commission agreed to process applications and supervise projects when approved

with the understanding that it would not be responsible for projects not accepted by the Federal authorities.

The following projects were processed by the Medical Care Commission for Accelerated Public Works funds. As of the end of the biennium, those projects approved by the Federal Government are indicated by asterisks.

	Total Cost	Federal Share (APW Program only)
* Margaret R. Pardee Memorial Hospital, Hendersonville (NC-APW-1) Expansion of administrative areas in connection with Hill-Burton project already under contract	\$ 100,400.00	\$ 50,200.00
* Duke University Hospital, Durham (NC-APW-2)—New hospital laundry and storage facilities	495,882.41	272,735.33
* Alleghany County Memorial Hospital, Sparta (NC-APW-3)—Additional 20 beds and expanded service facilities	230,000.00	126,500.00
* Maria Parham Hospital, Henderson (NC-APW-4)—New 100-bed hospital to replace existing 59-bed inadequate facilities	1,800,000.00	990,000.00
Charles A. Cannon, Jr. Memorial Hospital, Banner Elk (NC-APW-5) Laundry to serve the existing 100-bed hospital	120,000.00	79,200.00
Total Cost	\$2,746,282.41	\$1,518,635.33

The above projects would provide approximately \$1.5 million of Federal funds toward the improvement of hospital facilities in North Carolina in addition to the projects approved for funds available under the regular Hill-Burton program.

**Data on Projects Approved During the fiscal year  
July 1, 1961 - June 30, 1962**

Project Address	Type	Beds	Total Cost	Federal Share	State Share	Local Share
Charlotte Memorial Hospital	(A) Hospital	200 (G)	4,240,000.00	2,332,000.00	-0-	1,908,000.00
Charlotte						
Granville Hospital	(A) Hospital	16 (G)	670,000.00	368,500.00	-0-	301,500.00
Oxford						
North Carolina Memorial Hospital	(A) Hospital	10 (G)	116,000.00	63,800.00	-0-	52,200.00
Chapel Hill						
Margaret R. Pardee Memorial Hospital	(A) Hospital	67 (G)	1,700,000.00	935,000.00	-0-	765,000.00
Hendersonville						
Watts Hospital	(A) Hospital	SF	300,000.00	165,000.00	-0-	135,000.00
Durham						
Duke University Medical Center	(A) Hospital	SF	741,098.46	342,247.77	-0-	398,850.69
Durham						
Guilford County Health Center	(A) Mental Health Clinic	SF	250,000.00	166,100.00	-0-	83,900.00
Greensboro						
Wake County Cerebral Palsy and Rehabilitation Center	(N) Rehab.	SF	191,351.50	127,133.94	-0-	64,217.56
Raleigh Hospital						
Randolph Hospital	(A) Hospital	72 (G)	1,600,000.00	880,000.00	-0-	720,000.00
Asheboro						
Pungo District Hospital	(A) Hospital	14 (G)	220,000.00	68,750.00	45,320.00	105,930.00
Belhaven						
Morehead Memorial Hospital	(A) Hospital	SF	278,000.00	152,900.00	-0-	125,100.00
Leaksville						
Forsyth County Health Center	(N) Health Center		440,000.00	242,000.00	-0-	198,000.00
Winston-Salem						
New Hanover County Hospital	(N) Hospital	404 (G)	7,500,000.00	1,500,000.00	-0-	6,000,000.00
Wilmington						
Total 1961-1962	13 Projects	783 (G)	18,246,449.96	7,343,431.71	45,320.00	10,857,698.25

A - Addition to existing facility

N - All-new facility

G - General beds

**TABLE I-B**  
**Data on Projects for Which Bids Were Taken During the Fiscal Year**  
**July 1, 1961 - June 30, 1962**

<u>Name of Project</u>	<u>New or Addition</u>	<u>Number of Beds</u>	<u>County</u>	<u>Total Cost</u>	<u>Federal Share</u>	<u>State Share</u>	<u>Local Share</u>
<u>General Hospitals</u>							
Watts Hospital	A	SF	Durham	272,909.49	143,550.00	-0-	129,359.49
Gaston Memorial Hospital	A	SF	Gaston	219,304.46	119,350.00	-0-	99,954.46
Mountain Sanitarium and Hospital	A	50	Henderson	725,700.00	399,135.00	-0-	326,565.00
Lee County Hospital	A	61	Lee	1,302,100.00	716,155.00	-0-	585,945.00
Person County Memorial Hospital	A	12	Person	75,314.69	41,250.00	-0-	25,663.69
Wilson County Hospital	N	253	Wilson	4,559,098.06	2,504,908.91	-0-	2,054,189.15
Subtotal 6 Projects		376		7,154,426.70	3,924,348.91	8,401.00	3,221,676.79
<u>State-Owned Projects</u>							
N. C. Memorial Hospital	A	10	Orange	162,207.00	63,800.00	-0-	98,407.00
<u>Rehabilitation Facilities</u>							
Duke Hospital Rehab. Facility	A		Durham	741,098.46	342,247.77	-0-	398,850.69
<u>Nurses' Residences*</u>							
Wesley Long Comm. Hosp. Nurses' Hm.	N	107	Guliford	486,024.80	265,650.00	-0-	220,374.80
<u>Nursing Homes</u>							
The Methodist Home Nursing Home Unit	N	248	M'ckl'nburg	3,022,020.28	1,644,686.98	-0-	1,377,333.30
<u>Diagnostic and Treatment Centers</u>							
Morehead Memorial Hospital	N		Rockingham	368,044.36	152,900.00	-0-	215,144.36
Total 11 Projects				11,933,821.60	6,393,633.66	8,401.00	5,531,786.94

SF - Service facilities only

\* For schools of nursing including classroom facilities



TABLE II-A

Data on Projects Approved During the Fiscal Year  
July 1, 1962 - June 30, 1963

Project Address	Type	Beds	Total Cost	Federal Share	State Share	Local Share
Forsyth Gen. Hospital School of Nursing Winston-Salem	(N) Sch. of Nursing	200 (SN)	920,000.00	506,000.00	-0-	414,000.00
Wilson Co. Hospital School of Nursing Wilson	(N) Sch. of Nursing	108 (SN)	497,000.00	273,350.00	-0-	223,650.00
L. Richardson Memorial Hospital Greensboro	(N) Hospital	150 (G)	2,500,000.00	1,375,000.00	-0-	1,125,000.00
Scotland Memorial Hospital Laurinburg	(A) Hospital	47 (G)	1,648,000.00	906,400.00	-0-	741,600.00
Johnston Memorial Hospital Smithfield	(A) Hospital	32 (G)	1,092,000.00	600,600.00	-0-	491,400.00
Moore Memorial Hospital Pinchurst	(A) Hospital	76 (G)	2,041,000.00	1,122,391.00	-0-	918,609.00
Memorial Mission Hospital Asheville	(A) Hospital	72 (G)	2,228,000.00	1,225,027.00	-0-	1,002,973.00
Duke Univ. Medical Center Durham	(A) Hospital	SF	1,965,845.00	654,635.00	-0-	1,311,210.00
Craven County Hospital New Bern	(A) Hospital	61 (G)	300,000.00	165,000.00	-0-	135,000.00
Clay County Health Center Hayesville	(N) Health Center		35,000.00	19,250.00	9,905.00	5,845.00
Asheville Orthopedic Hospital Asheville	(A) Rehab.	SF	61,000.00	40,528.40	-0-	20,471.60
Charlotte-Mecklenburg Hosp. Authority Chronic Disease Unit Huntersville	(A) Hospital	17 (Chr.)	845,000.00	464,750.00	-0-	380,250.00
Margaret R. Pardee Memorial Hospital Hendersonville - APW	(A) Hospital	SF	100,398.98	50,199.40	-0-	50,199.58
Duke University Hospital Durham - APW	(A) Hospital	SF	495,882.41	272,735.33	-0-	223,147.08

TABLE II-A (Continued)

Data on Projects Approved During the Fiscal Year  
July 1, 1962 - June 30, 1963

Project Address	Type	Beds	Total Cost	Federal Share	State Share	Local Share
Alleghany County Memorial Hospital	(A) Hospital	15 (G)	158,916.00	87,403.80	-0-	71,512.20
Sparta - APW	(N) Hospital	100 (G)	1,800,000.00	990,000.00	-0-	810,000.00
Maria Parham Hospital	(A) Hospital	SF	120,000.00	79,200.00	-0-	40,800.00
Henderson - APW	(A) Rehab.	SF	520,000.00	345,488.00	-0-	174,512.00
Charles A. Cannon Memorial Hospital	(A) Rehab.	SF	250,000.00	161,575.00	-0-	88,425.00
Banner Elk - APW	(A) Hospital	SF	167,000.00	91,850.00	-0-	75,150.00
Charlotte Rehabilitation Hospital	(A) Hospital	23 (Chr.)	197,000.00	108,350.00	40,188.00	48,462.00
Charlotte Greensboro Cerebral Palsy Trng. Center	(A) Hospital	15 (Chr.)	65,000.00	35,750.00	13,000.00	16,250.00
Greensboro	(A) Hospital	54 (Chr.)	340,000.00	187,000.00	57,460.00	95,540.00
Baptist Hospital	23 Projects	100 (G)	18,347,042.39	9,762,482.93	120,553.00	8,464,006.46
Winston-Salem		308 (SN)				
Person County Memorial Hospital		109 (Chr.)				
Roxboro		<u>517</u>				
Chowan Hospital	36 Projects	883 (G)	36,593,492.35	17,105,914.64	165,873.00	19,321,704.71
Edenton		308 (SN)				
Union Memorial Hospital		109 (Chr.)				
Monroe		<u>1300</u>				
Total 1962-1963						
Total for Biennium						

A - Addition to existing facility  
N - All-new facility  
G - General beds

Chr. - Chronic, long-term beds  
SN - School of nursing  
APW - Federal funds appropriated under Accelerated Public Works program (no Hill-Burton funds involved)

**TABLE II-B**  
**Data on Projects for Which Bids Were Taken During the Fiscal Year**  
**July 1, 1962 - June 30, 1963**

Name of Project	New or Addition	Number of Beds	County	Total Cost	Federal Share	State Share	Local Share
<b>General Hospitals.</b>							
Pungo District Hospital	A	14	Beaufort	222,472.98	68,750.00	45,320.00	108,402.98
Memorial Mission Hospital	A	SF	Buncombe	387,281.54	213,004.85	-0-	174,276.69
Craven County Hospital 4th Floor Addn.	A	61	Craven	295,189.90	162,250.00	-0-	132,939.90
Granville Hospital	A	16	Granville	670,507.18	368,500.00	-0-	302,007.18
Margaret R. Pardee Memorial Hospital	A	69	Henderson	1,834,667.98	935,000.00	-0-	899,667.98
Margaret R. Pardee Memorial Hospital	A	SF	Henderson	100,400.00	50,200.00	-0-	50,200.00
Charlotte Memorial Hospital	A	218	Mecklenburg	4,260,946.00	2,332,000.00	-0-	1,928,946.00
Moore Memorial Hospital	A	SF	Moore	585,347.00	321,941.00	-0-	263,406.00
Randolph Hospital	A	72	Randolph	1,670,626.27	875,050.00	-0-	795,576.27
Subtotal 9 Projects				10,027,438.85	5,326,695.85	45,320.00	4,655,423.00
<b>Diagnostic and Treatment Centers</b>							
Memorial Mission Hospital D & T Ctr.	N		Buncombe	919,241.71	505,582.94	-0-	413,658.77
<b>Chronic</b>							
Memorial Mission Hospital	A	72	Buncombe	920,798.57	506,439.21	-0-	414,359.36
Moore Memorial Hospital	A	95	Moore	1,455,653.00	800,450.00	-0-	655,203.00
Subtotal 2 Projects				2,376,451.57	1,306,889.21	-0-	1,069,562.36
<b>Rehabilitation</b>							
Asheville Orthopedic Hosp. Heating Plant	A	SF	Buncombe	55,775.18	37,027.01	-0-	18,748.17
Charlotte Rehabilitation Hospital	A	SF	Mecklenburg	557,510.40	367,663.62	-0-	189,846.78
Cerebral Palsy and Rehab. Ctr. of Wake Co. N			Wake	197,171.71	127,133.94	-0-	70,037.77
Subtotal 3 Projects				810,457.29	531,824.57	-0-	278,632.71

**TABLE II-B (Continued)**  
**Data on Projects for Which Bids Were Taken During the Fiscal Year**  
**July 1, 1962 - June 30, 1963**

Name of Project	New or Addition	Number of Beds	County	Total Cost	Federal Share	State Share	Local Share
<u>Health Centers</u>							
Clay County Health Center	N		Clay	35,000.00	19,250.00	9,905.00	5,845.00
Forsyth County Health Center	N		Forsyth	877,956.00	238,150.00	-0-	639,806.00
Guilford County Health Center Addn.	A		Guilford	219,180.00	120,450.00	-0-	98,730.00
Subtotal 3 Projects				1,132,136.00	377,850.00	9,905.00	744,381.00
<u>Nurses' Residences *</u>							
Forsyth General Hosp. Sch. of Nursing	N	200	Forsyth	1,400,000.00	506,000.00	-0-	894,000.00
Wilson Co. Hospital Sch. of Nursing	N	108	Wilson	570,217.30	273,350.00	-0-	296,867.30
Subtotal 2 Projects				1,970,217.30	779,350.00	-0-	1,190,867.30
Total 20 Projects				17,235,942.72	8,828,192.57	55,225.00	8,352,525.15
Total 31 Construction Projects from July 1, 1961 - June 30, 1963				29,169,764.32	15,221,826.23	63,626.00	13,884,312.09

SF - Service facilities only

\* - For schools of nursing including classroom facilities

# TABLE III

## Federal Allotments to North Carolina for the Construction of Medical Facilities

1961 - 1963

	<u>1961-1962</u>	<u>1962-1963</u>	<u>Total For the Biennium</u>
Hospitals; Health Centers;			
Nurses' Residences	\$ 6,284,490	\$ 6,307,334	\$ 12,591,824
Diagnostic and Treatment Centers	563,082	813,635	1,376,717
Chronic Disease Facilities	817,223	813,635	1,630,858
Nursing Homes	752,087	813,635	1,565,722
Rehabilitation Facilities	276,417	406,818	683,235
Total	\$ 8,693,299	\$ 9,155,057	\$ 17,848,356

## State Appropriations to the Commission for the Construction of Medical Facilities

1961 - 1963

- 0 -

## Total Appropriations to the Commission for the Construction of Medical Facilities

1947 - 1963

<u>Federal Appropriations</u>	<u>State Appropriations</u>
\$ 87,045,698	\$18,326,972

**TABLE IV**  
**Summary of Costs of Projects on Which Bids Were Received July 1, 1947 Through June 30, 1963**

Fiscal Year	Number of Projects	Total Cost	Federal Share	State Share	Local Share	Average Per Cent Commission Participation
July 1, 1947 to June 30, 1948	5	1,514,527.34	496,675.79	379,555.92	638,295.63	57.9
July 1, 1948 to June 30, 1949	21	12,357,754.83	3,958,297.09	3,457,242.78	4,942,214.96	60.0
July 1, 1949 to June 30, 1950	21	16,571,746.63	4,584,486.79	2,729,172.76	9,258,087.08	44.1
July 1, 1950 to June 30, 1951	38	14,445,121.32	5,915,290.64	3,011,679.24	5,518,151.44	61.8
July 1, 1951 to June 30, 1952	17	11,899,900.24	4,679,549.51	1,416,064.20	5,804,286.53	51.2
July 1, 1952 to June 30, 1953	32	6,792,633.78	2,251,058.36	2,282,728.44	2,258,846.98	66.7
July 1, 1953 to June 30, 1954	30	5,220,479.41	2,239,630.15	1,041,435.71	1,939,413.55	62.8
July 1, 1954 to June 30, 1955	26	9,461,329.84	2,949,041.10	899,465.35	5,612,823.39	40.7
July 1, 1955 to June 30, 1956	29	9,001,113.99	4,331,531.01	888,619.62	3,780,963.36	58.0
July 1, 1956 to June 30, 1957	21	6,144,468.46	2,972,487.43	388,076.28	2,783,904.75	54.7
July 1, 1957 to June 30, 1958	29	16,448,981.23	7,810,529.53	1,146,230.87	7,492,220.83	54.5
July 1, 1958 to June 30, 1959	20	18,288,330.44	10,494,220.18	115,920.27	7,678,189.99	58.0
July 1, 1959 to June 30, 1960	19	8,385,717.26	4,458,550.44	207,270.09	3,719,896.73	55.6
July 1, 1960 to June 30, 1961	22	20,056,359.91	8,100,357.86	250,082.64	11,705,919.41	41.6
July 1, 1961 to June 30, 1962	11	11,933,821.60	6,393,633.66	8,401.00	5,531,786.94	53.6
July 1, 1962 to June 30, 1963	20	17,235,942.72	8,828,192.57	55,225.00	8,352,525.15	51.5
<b>Total</b>	<b>361</b>	<b>185,758,229.00</b>	<b>80,463,532.11</b>	<b>18,277,170.17</b>	<b>87,017,526.72</b>	<b>53.2</b>
<b>Average</b>	<b>23</b>	<b>11,609,889.31</b>	<b>5,028,970.76</b>	<b>1,142,323.13</b>	<b>5,438,595.42</b>	<b>53.2</b>

Approved projects for which bids will be taken after July 1, 1963

Total all projects approved

July 1, 1947 - June 30, 1963

\* Federal share does not include \$2,500,000 tentatively pledged to New Hanover County Hospital from subsequent years' Federal allotments.

TABLE V

**Summary Showing Construction Status of Medical Facilities Projects Approved Under  
the Public Health Service Act (Title VI) as of June 30, 1963**

Total All Projects		373									
Total Cost		\$ 202,024,118.02									
Federal Share		\$ 86,568,692.11 (42.9)									
State Share		18,397,128.17 ( 9.1)									
Local Share		97,058,297.74 (48.0)									
No. Projects	No. Beds	Total all Projects	General Hospitals	T. B.	Mental	Chronic Disease	Rehabili- tation	Nursing Homes	D & T	Health Centers	Nurses' Residences
		373	185	2	7	8	12	6	16	88	49 (2,999 beds)
		11,232	9,421	100	647	529	130	405			

TABLE VI

Progress of General and Allied (Excluding Mental, Tuberculosis and Rehabilitation) Hospital Construction  
During the Period 1947-1963

	1947		1963 <sup>1</sup>		Increase or Decrease
	Hospitals	Beds	Hospitals	Beds	
Total Existing	122	9,011	153	17,608	+ 8,597
Acceptable	30	3,823	116	15,423	+ 11,600
Replaceable	96 <sup>3</sup>	5,188	47	2,185	- 3,003
Per Cent Acceptable		42.4		87.6	
Per Cent Replaceable		57.6		12.4	
Total beds per thousand <sup>4</sup>		2.5		3.8	
Acceptable beds per thousand		1.1		3.3	
Replaceable beds per thousand		1.4		.5	
Per cent increase number hospitals					25%
Per cent increase total beds					95%
Per cent increase acceptable beds					303%
Per cent decrease replaceable beds					58%

NOTE: Facilities of 15 beds and less are excluded.

<sup>1</sup> Includes facilities under construction and in planning stage.

<sup>2</sup> Includes 10 hospitals containing acceptable and replaceable beds.

<sup>3</sup> Includes 4 hospitals containing acceptable and replaceable beds.

This figure is gauged on current adequacy standards. Thus some of these facilities in 1947 were then considered adequate.

<sup>4</sup> Based on State population	3,573,000	1947
	4,637,000	1963
<sup>5</sup> Beds constructed under Commission's program		9,950
Beds replaced		3,613
Other new beds		2,244



TABLE VII

**THE NORTH CAROLINA MEDICAL CARE COMMISSION**  
**Comparative Cost All-New Hospital Projects Contracted**

1953 - 1963

Beds	Project	Year Contracted	Sq. Ft.	Total Cost	Cost/Bed	Total Proj. Cost/Sq. Ft.	Constr. & Fixed Equip. Cost/Sq. Ft.	Sq. Ft. Per Bed
200	Cape Fear Valley	'53	100,000	\$ 2,157,182	\$ 10,786	\$ 21.57	\$ 17.65	500
100	Mt. Airy	'55	59,000	1,547,695	15,477	26.23	21.82	590
100	Beaufort County	'56	56,000	1,541,777	15,418	27.53	23.36	560
30	Jubilee	'57	17,000	405,148	13,505	23.83	20.34	567
50	C. J. Harris	'57	33,000	775,726	15,515	23.51	19.85	660
380	Wake County	'58	198,962	5,163,776	13,589	25.95	22.05	523
	(incl. OPD)		208,500	5,435,411	14,304	26.07	22.05	545
150	Albemarle	'58	81,952	2,396,585	15,977	29.24	24.70	570
	(incl. OPD)		85,500	2,500,245	16,668	29.24	24.69	570
75	Edgecombe	'58	46,000	1,357,736	18,103	29.52	25.70	613
75	Tri-City	'58	45,450	1,398,000	18,640	30.76	26.61	606
109	Tri-City	'58	54,550	1,702,925	15,623	31.22	25.49	506
100	Grace Hartley	'59	59,500	1,527,092	15,271	25.67	21.73	595
	(incl. OPD)		62,700	1,629,606	16,296	25.99	22.02	627
100	Valdese	'59	59,540	1,500,000	15,000	25.19	21.28	595
120	Valdese	'59	62,950	1,532,042	12,767	24.34	20.80	525
160	Wesley Long	'59	120,000	2,730,000	17,062	22.75	20.86	750
220	Wesley Long	'59	142,380	3,177,147	14,442	22.31	19.00	647
100	Mem. Hospital							
	Alamance County	'59	60,111	1,680,000	16,800	27.95	23.56	601
100	Craven County	'61	75,730	2,130,213	21,302	28.12	24.31	757
	(incl. 4th floor shell)		91,876	2,232,642		24.30	20.94	
161	(completing 4th floor)	'63		2,527,832	15,701	27.51	23.20	571
540	Forsyth Gen.	'61	338,000	11,738,721	18,002	34.73	27.51	626
253	Wilson Co.	'62	164,138	4,554,380		27.75	23.13	649

## HOSPITAL LICENSING PROGRAM

The Commission has continued to administer the hospital licensing authority as an educational program, but at the same time has stressed uniform standards for the public's protection in areas of both operation and physical facility. In recent years, procedures have developed that provide for closer cooperation between the Commission and other State departments concerned with institutional standards with the aim of eliminating as much as possible duplication of inspections for institutions subject to the Hospital Licensing Act.

Rapid changes in clinical techniques, technical equipment and safety codes pertaining to hospitals have necessitated constant modifications in licensing regulations. In an attempt to incorporate the most current standards pertaining to the various areas of hospital operation and maintenance, during the biennium the Commission undertook an updating of licensing criteria. This has involved considerable research and has included examination of the approaches used by other states. The Commission contracted with the Department of Hospital Administration of the School of Medicine at the University of North Carolina to assist in drafting revisions in the regulations. It is expected that a preliminary draft of proposed new licensing regulations will be available in early 1964.

### *Licensure of Small Inpatient Clinics*

For a number of years, the North Carolina Hospital Association, in accordance with General Statutes 57-1, inspected hospitals for participation in service plans of the Blue Cross agencies. At the time this legislation was enacted, there was no hospital licensing program. The Hospital Association reviewing the circumstances in December, 1961 noted that the State now has a recognized licensing program for hospitals and that the Association should recognize the inspections of the Medical Care Commission in lieu of its own. Accordingly, the Hospital Association, in January, 1962, advised all facilities which it had formerly approved for purposes of contracting for Blue Cross hospital payments that within twelve months after notification institutions which are presently approved by the Association but are not licensed would be required to obtain a license by the Medical Care Commission in order to contract with Blue Cross plans for hospital services to subscribers. This action applied to a number of small, privately operated clinics which because of limited bed capacity are not required to be licensed by the Commission. During the biennium, the Commission has attempted to work with the small clinics with limited facilities in obtaining hospital licensure, but at the same time has insisted that there be no lowering of licensing standards. As a result, three small clinics, while not required to obtain a license due to their limited occupancy, in order to comply with the policy of the North Carolina Hospital Association and to participate in Blue Cross hospital service plans, have implemented changes in

their buildings and operations to comply with licensing regulations. Several other clinics are in the process of qualifying for licensure.

During the last year of the biennium, 164 hospitals were licensed. The following tables provide pertinent data relating to these facilities:

**TABLE VIII**  
**Licensed Hospitals by Bed Capacity\***

Size by Beds	Number	Beds	Average No. of Beds
3-15	8	66	8.3
16-30	20	496	24.8
31-50	40	1,729	43.2
51-75	25	1,636	65.4
76-100	19	1,801	94.8
101-150	23	2,900	126.1
151-200	7	1,237	176.7
201-300	12	3,141	261.8
301-400	2	730	365.0
401-up	8	4,229	528.6
<hr/> TOTALS 3-up	<hr/> 164	<hr/> 17,965	<hr/> 109.5

\* Number of beds reported by hospitals as of the end of the 1962 calendar year.

**TABLE IX**  
**Licensed Hospitals by Medical Type**

General	147
Mental	0
Tuberculosis	3
Rehabilitation	3
Maternity	0
Pediatric	1
Eye, Ear, Nose, Throat	2
Physician's Clinic	7
Chronic Disease	1

**TABLE X**  
**Sanitary Ratings of Licensed Hospitals**

Grade	No. of Hospitals	% of Total Hospitals
A	154	93.9
B	9	5.5
C	1	.6

NOTE: Ratings provided by the State Board of Health on the basis of inspections by County Health Departments.

# TABLE XI

## Composite Patient Service Data of Licensed Hospitals

A. Percentage of occupancy -----	70.98
B. Average length of stay -----	7.34
C. Total patients discharged (deaths included) -----	726,523.00
Less newborn discharged -----	92,467.00
Total less newborn -----	634,056.00
D. Total patient days -----	5,023,563.00
Less newborn days -----	369,355.00
Total less newborn -----	4,654,208.00
E. Total outpatient visits -----	2,008,751.00
Organized clinic visits -----	588,650.00
Emergency room -----	672,188.00
F. Employees per patient per day (excluding newborn days) -----	2.11
G. Total surgical procedures:	
Major -----	101,980.00
Minor -----	205,152.00
H. Number of Medical Inpatients -----	231,348.00
I. Number of Pediatric Inpatients (14 years and under) -----	115,768.00
J. Number of Maternity and Gynecological Inpatients -----	154,163.00
K. Number of Other Inpatients -----	197,186.00
L. Deaths (stillbirths excluded) -----	17,389.00
M. Number of Autopsies -----	3,963.00

## STUDENT LOAN AND SCHOLARSHIP PROGRAMS

The tremendous expansion of health facilities throughout the State under the Hill-Burton program has precipitated an urgent need for qualified personnel in the health field. As needed, the General Assemblies have provided to the Commission appropriations to assist students in the medical and medically related studies contingent upon their agreement to provide services to (1) rural communities of limited population and (2) State-owned mental hospitals. Loans and scholarships are available to qualified students of medicine, dentistry, pharmacy, nursing, social work, sociology, psychology and for graduate nurses enrolled in academic courses preparing them for nurse instructors and in other specialized fields of nursing.

The rural program provides that students of medicine, dentistry, pharmacy and nursing, in return for the loans, agree to practice in a rural area or small community of the State. In an attempt to increase the availability of nurses throughout North Carolina, the 1963 Legislature eliminated the rural practice commitment for students of nursing, thus enabling nurses to practice in any community irrespective of population. To further this aim, the Student Loan Subcommittee studied the advisability of deleting the requirement of repayment of loans for student nurses in preparation of a recommendation for the full Commission to consider at its first meeting of the next biennium. As a result of other legislative changes, students obtaining scholarships under the mental health program may now provide service in any of the facilities operated by the newly created State Department of Mental Health. Formerly, practice for students enrolled in this program was restricted to the four State-owned hospitals at Raleigh, Goldsboro, Butner and Morganton.

Recognizing the continuing shortage of qualified health personnel, the General Assembly of 1963 established three new scholarship programs enabling the Commission to provide assistance to (1) graduate nurses enrolled in specialized courses in nursing, (2) graduate nurses enrolled in schools of anesthesia and (3) student medical technicians. A biennial fund of \$80,000 was appropriated to finance the nurse anesthetists program and \$25,000 for the two-year period was approved to finance scholarships for medical technicians. Additional appropriations were not requested for the rural program as there was a residue of uncommitted funds at the beginning of the biennium estimated to be adequate to finance expected applications to be received during the 1963-65 period. The Legislature appropriated as requested \$62,500 to continue the State mental facilities program during the next biennium.

As of the fiscal year ending June, 1962, the State had benefited from the services of only 6 nurses and 5 pharmacists. Of the 35 students of nursing approved as of that date, 60 per cent had either failed academically, dropped out of school for personal and other reasons, or after graduation had failed to pract-

ice in accordance with their loan agreements. Of the 18 pharmacy students receiving loans of the same date, 66.6 per cent failed for various reasons to fulfill their practice obligations.

In view of these problems, the Commission undertook during the previous biennium a more intensive appraisal of applicants for loans. With the cooperation of the Employment Security Commission, a program was initiated for testing potential aptitudes of applicants for nursing and pharmacy loans. While the testing program has been effective in helping to evaluate aptitudes, the problem still persisted. It was the opinion of the Student Loan Subcommittee that immaturity and lack of proper orientation were major factors responsible for poor academic performance. In many cases, the adjustment from high school to college posed serious problems with which the students were unable to cope. These students often find their interests are in other fields only after they have matriculated in the professional courses for which loans were available.

This experience was seriously jeopardizing the programs as large sums were being invested in students who upon being disqualified to practice their intended profession were then called upon to repay the loans with interest. This seemed unfair to the student and the Commission, therefore, decided during the biennium to defer loans for the first year students in nursing and pharmacy. Upon the successful completion of the first year, loans are now available to students for the remaining years of the approved curriculum.

TABLE XII

## THE NORTH CAROLINA MEDICAL CARE COMMISSION

## Status of Student Loan and Scholarship Funds

June 30, 1963

	Rural	State Hospitals	Nurses' Scholarship	Total
Total Appropriation 1945 - 1963	925,000.00	225,000.00	50,000.00	1,200,000.00
Interest Collected on loans 6-30-63	46,557.68	2,438.58	- 0 -	48,996.26
Total Assets	971,557.68	227,438.58	50,000.00	1,248,996.26
Total Expenditures (Loans) 6-30-63	841,781.89	165,742.00	13,000.00	1,020,523.89
Loans Repaid (Principal)	298,789.51	24,984.45	- 0 -	323,773.96
Loans Cancelled by satisfactory service	- 0 -	28,417.00	- 0 -	28,417.00
Total Loans Outstanding (Notes Receivable) 6-30-63	542,992.38	112,340.55	13,000.00	668,332.93
Cash balance 6-30-63	428,565.30	86,681.03	37,000.00	552,246.33
Less: Encumbrances to complete education of Students already approved	160,558.00	28,800.00	2,000.00	191,358.00
Unencumbered Balance 6-30-63 1/	268,007.30	57,881.03	35,000.00	360,888.33

1 Net funds available for financing new loan applications

**TABLE XIII**  
**Statistics—Student Loan and Scholarship Programs**

1945 - June 30, 1963

	Rural				Total	State Hospitals			Nurs. Sch.	Grand Total	
	Med.	Dent.	Pharm.	Nurs.		Med.	Nurs.	Soc. Work.			
Total Number of Students Approved In Practice	129	63	18	30	240	32	5	25	62	12	314
Completed Practice Obligation	20	20	1	2	43	5	1	8	14	2	59
Enrolled in School	29	9	5	2	45	4	1	7	12	--	57
Postgraduate Training or Military Obligation	26	18		3	47	5		4	9	9	65
Academic Failures	30	9		--	39	12			12	--	51
Withdrew from School	4	2		7	13				--	--	13
Defaulted on Practice Obligation 2	5	2	2	6	15	2	1	4	7	1	23
New Students Approved During 1961-63 Biennium	15	3	10	10	38	4	2	2	8	--	46
	16	11		2	29	9	--	11	20	12	61
1 17 in hospital-sponsored schools of nursing (Diploma course) 18 in collegiate schools of nursing (Degree course) 2 Percent not fulfilling practice commitments 17.7%											
Students Enrolled In School											
First Year	3		--	--	3	--	--	1	1	2	6
Second Year	8	5	--	--	13	1	--	3	4	7	24
Third Year	7	2	--	--	9	2	--	--	2	--	11
Fourth Year	8	11		3	22	2			2	--	24





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